



Medicaid Information Bulletin

September 2000



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REQUIRED FOR PHARMACIES

00 - 79 Pharmacy Program: Changes in Rates of Reimbursement

Effective September 15, 2000, the changes listed below will be made to the reimbursement rates in the Medicaid Pharmacy Program.

1. Pharmacy Dispensing Fee Reduced

The Department of Health had proposed reducing the price we pay for pharmacy products from AWP-12 to AWP-15. This would have generated over two million dollars in program savings. By working with pharmacy representatives, we identified other potential program changes that will generate about two-thirds of the saving needed to stay within our budget.

Rather than paying AWP-13 to generate the remaining one-third of the saving needed, the dispensing fee will be reduced by thirty cents for both rural and urban pharmacy providers. Through negotiations with representatives of the pharmacy industry, it was agreed that a decrease in the dispensing fee was preferable to an increase in the discount taken from AWP (Average Wholesale Price).

This reduction is necessary to offset the rapid escalation of drug prices. If we can identify other areas in the pharmacy program in which significant cost saving measures can be implemented, the reduction in the dispensing fee may be discontinued.

2. NDCs to be MAC'ed

The AWP listing compiled by the U.S. Department of Justice (DOJ) has 437 NDC's listed on it with new or actual average wholesale prices as developed by the DOJ. These 437 NDCs will be MAC'ed along with any other NDCs for the same product, same strength, same packaging. Other brands both generic and brand-name will have the same MAC price associated with them. Access to the list of 437 NDC's along with the "new" AWP can be found on the DUR Board's website at:

hlunix.ex.state.ut.us/medicaid/dur/issues.htm

3. Birth Control Pills MAC'ed

All birth control pills with a generic equivalent will have a Utah MAC placed on them at the same rate as the generic products.

4. Three Month Supply of Birth Control Pills Allowed.

5. One Hundred Day Supply of Prenatal and Pediatric Vitamins Allowed.

6. Clozapine MAC'ed

All Clozapine will be MAC'ed at the generic rate.



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Medicaid Information

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